

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rule making related to provider rates and fee schedules and providing an opportunity for public comment

The Human Services Department hereby proposes to amend Chapter 78, “Amount, Duration and Scope of Medical and Remedial Services,” Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” and Chapter 83, “Medicaid Waiver Services,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 249A.4 and 2021 Iowa Acts, House File 891, section 32.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 249A.4.

Purpose and Summary

As part of the 2021 Legislative Session, 2021 Iowa Acts, House File 891, appropriates funds to increase specific provider reimbursement rates. The proposed amendments to Chapter 78, 79 and 83 do the following:

- Increase the reimbursement rates and upper rate limits for providers of Home- and Community-Based Service (HCBS) Waiver and HCBS Habilitation services beginning July 1, 2021, by 3.55 percent over the rates in effect on June 30, 2021.
- Increase the monthly caps on the total monthly cost of HCBS waiver services and Habilitation.
- Increase the monthly cap on HCBS Supported Employment and the annual cap on Intellectual Disability Waiver Respite services.
- Increase annual or lifetime limitations for home and vehicle modifications and specialized medical equipment.

- Increase air ambulance rates to \$550 beginning July 1, 2021.

In addition, the proposed amendments to Chapter 79:

- Add the inflation factor limitation.
- Implement the fee schedule rate in effect July 1, 2021, for air ambulance providers. 2021 Iowa Acts, House File 891, appropriates funds to increase air ambulance rates to \$550 per one-way trip.
- Implement the home health agency low utilization payment adjustment (LUPA) rate increase. This rate is applied when there are three or fewer visits provided in a 30-day period.
- Increase psychiatric medical institutions for children (PMIC) provider-specific fee schedule rate percentages over the rates in effect June 30, 2021. House File 891 appropriates \$3.9 million to increase non-State-owned PMIC provider rates over the rates in effect June 30, 2021.

Fiscal Impact

The targeted HCBS and Habilitation increases were calculated assuming both the regular federal medical assistance percentages (FMAP) and COVID-increased FMAP. The Legislature opted for the COVID-increased FMAP scenario for both sets of services. These are the only adjustments where the Legislature agreed to base the increase on the COVID-increased FMAP. All other adjustments are based on the regular FMAP. The FMAP is estimated at 65.14 percent in SFY22 and 62.01 percent in SFY23. As part of the 2021 Legislative Session, 2021 Iowa Acts, House File 891, appropriates funds to increase specific provider reimbursement rates.

Jobs Impact

These amendments may have a positive influence on private-sector jobs and employment opportunities in Iowa.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 441—1.8(17A,217).

Public Comment

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on September 28, 2021. Comments should be directed to:

Nancy Freudenberg
Iowa Department of Human Services
Hoover State Office Building, Fifth Floor
1305 East Walnut Street
Des Moines, Iowa 50319-0114
Email: appeals@dhs.state.ia.us

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Emergency Rule Making Adopted by Reference

This proposed rule making is also published herein as an Adopted and Filed Emergency rule making (see **ARC 5896C**, IAB 9/8/21). The purpose of this Notice of Intended Action is to solicit public comment on that emergency rule making, whose subject matter is hereby adopted by reference.